

IMPORTANT FROM EUROPE.

The City of Washington at New York and Anglo-Saxon at Portland, with Five Days Later News.

Lord John Russell's Reply to Secretary Seward.

MORE DESPATCHES TO LORD LYONS.

The Confederate Agents Described as Insurgents.

British Opinion of Mr. Seward's Diplomacy.

Speech of the Chancellor of the Exchequer on the American Crisis.

His Opinion of Our Reception of the Prince of Wales.

The Finances of the Union in a British Point of View.

Blockade of the Nashville at Southampton.

English Sailors and Artillerymen Called Out to Keep the Peace.

POSITION OF THE SUMTER AT CADIZ, &c., &c., &c.

The steamship Anglo-Saxon, from Liverpool, Captain Brooks, which sailed from Liverpool at eleven o'clock A. M. on the 15th, and from Queenstown on the 16th inst., arrived here at four o'clock P. M. yesterday.

The City of Washington brings 173 passengers, the United States mails and a full cargo of valuable merchandise from Liverpool, Belfast, Antwerp and Havre. We are indebted to the purser of the ship for facilities to our ship news reporter.

The London Post of the 14th inst. says several large American vessels being overdue, the premiums at Lloyd's have advanced from thirty to forty per cent.

The ship Sumter, from New York on 15th November, sixty days, was being insured at thirty-five to forty guineas premium.

The Crown Princess of Prussia was shortly expected on a lengthened visit to her mother, Queen Victoria.

At an influential meeting, in the city of London, it had been resolved to erect a memorial to Prince Albert.

The steamship Edinburgh arrived here at Liverpool on the 15th inst.

The steamship Teutonia, from New York, arrived at Southampton on the 12th inst.

The steamship America, from New York, arrived at Liverpool on the 14th inst.

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despatches that written to Lord Lyons on the subject of the Trent.

I told him that in a private letter I had directed Lord Lyons to talk the matter over with Mr. Seward two days before reading to him the despatch. Mr. Adams asked whether the direction to Lord Lyons to leave Washington in seven days was in the despatch to be read. I said it was not, and that in case Mr. Seward should ask what would be the consequence of a refusal on his part to comply with our conditions, Lord Lyons was to decline to answer that question, in order not to have the appearance of a threat. I said that I thought the explanation that the government had not authorized the seizure would stand in the place of an apology.

That the essential condition was that Mr. Mason and Mr. Seward should be given up to Lord Lyons. Mr. Adams said that if the matter was stated to Mr. Seward in the manner I had explained, he hoped for an amicable termination of the difference; he thought that if the government of the United States insisted on maintaining the act of Captain Wilkes, the United States would be abandoning their doctrine and adopting ours. Mr. Adams asked me a further question, which he said I might decline to answer; it was whether, if Lord Lyons came away, a declaration of war would be the immediate consequence. I told him nothing was decided on that point, we should wait for the reply from America, and that the President had been informed of the substance of M. Thiers's despatch to M. Mercier as I had heard it from M. de Flahaut. Mr. Adams said that the French government had always been very consistent in its maintenance of the rights of neutrals. He added that he could not pay our government the same compliment. I said I would dispense with compliments if this matter could be amicably arranged.

We parted on very friendly terms. I am, &c.,

RUSSELL.

LORD LYONS TO EARL RUSSELL. (RECEIVED JAN. 9.)

WASHINGTON, DEC. 27, 1861.

My Lord—I have the honor to enclose a copy of a note which I have this morning received from Mr. Seward, in answer to your lordship's despatch of the 30th of last month, relative to the removal of Mr. Mason, Mr. Seward, Mr. Lincoln and Mr. Davis, from the British mail packet Trent.

The note contains a very long and elaborate dissertation on the questions of international law involved in the case. I have not time, before the departure of the messenger, to weigh the arguments or to estimate precisely the force of the expressions used. But as Mr. Seward admits that the removal of the four prisoners to the United States is a violation of international law, and that the demands of her Majesty's government are so far substantially complied with, that it is my duty, in obedience to your lordship's commands, to report the substance of her Majesty's government for their consideration, and to remain at my post until I receive further orders. I have the honor to enclose a copy of the answer which I have made to Mr. Seward's note. I have confined myself to stating that I will forward a copy of it to her Majesty's government, and that I will confer with Mr. Seward personally on the arrangements to be made for the delivery of the prisoners to me. I have, &c.,

LYONS.

EARL RUSSELL TO LORD LYONS.

FOREIGN OFFICE, JAN. 11, 1862.

My Lord—In my despatch to you of the 30th of November, after informing you of the circumstances which had occurred in relation to the capture of the four persons taken on board the Trent, I stated to you that it thus appeared that certain individuals had been forcibly taken from on board a British vessel—the ship of a neutral Power—while such vessel was pursuing a lawful and innocent voyage—an act of violence which was an affront to the British flag and a violation of international law. I concluded by directing you, in case the reply which her Majesty's government expected to receive, should not be offered by Mr. Seward, to propose to that Minister to make such redress as alone would satisfy the British nation—namely, the liberation of the four gentlemen taken from on board the Trent, and their delivery to your lordship, in order that they might again be placed under British protection; and secondly, a suitable apology for the aggression which had been committed.

I received yesterday your despatch of the 27th ultimo, enclosing a note from Mr. Seward, which is in substance the answer to my despatch of the 20th November.

Proceeding at once to the main points in discussion between us, her Majesty's government have carefully examined how far Mr. Seward's note, and the conduct it announces, complies substantially with the two proposals I have recited.

With regard to the first—viz: the liberation of the prisoners with a view to their being again placed under British protection—I find that the note concludes by stating that the prisoners will be cheerfully liberated, and by calling upon your lordship to indicate a time and place for receiving them.

No condition of any kind is coupled with the liberation of the prisoners.

With regard to the second proposal which the British government had a right to expect, I find that the government of the United States distinctly and unequivocally declares that no directions had been given to Captain Wilkes, or to any other naval officer, to arrest the four persons named, or any of them, on the Trent or on any other British vessel, or on any other neutral vessel, at the place where it occurred or elsewhere.

I find, further, that the Secretary of State expressly forbears to justify the particular act of which her Majesty's government complained. If the United States government had alleged that although Captain Wilkes had no previous instruction for that purpose, he was right in capturing the four prisoners, and that the capture of the four persons from the Trent on board his own vessel, to afterwards carried into a port of the United States, the government which had thus sanctioned the proceeding of Capt. Wilkes would have been responsible for the original violence and insult of the act. But Mr. Seward contents himself with stating that what has happened has been simply an inadvertence, consisting in a departure by a naval officer, free from any wrongful motive, from a rule uncertainly established, and probably by the several parties concerned either imperfectly understood or entirely unknown. The Secretary of State goes on to affirm that the error of the British government was not in the capture of the four prisoners, but in the United States, as an independent State, should not have taken from Great Britain, or from any other friendly nation in a similar case.

Her Majesty's government having carefully taken into their consideration the liberation of the prisoners, the delivery of them into your hands, and the explanation to which I have just referred, have arrived at the conclusion that they constitute the reparation which her Majesty and the British nation had a right to expect.

It gives her Majesty's government great satisfaction to be enabled to arrive at a conclusion favorable to the maintenance of the most friendly relations between the two nations. I need not discuss the modifications in my statement of facts, or the explanations which I have derived from the reports of officers of his government.

I cannot conclude, however, without advertising shortly to the discussions which Mr. Seward has raised upon points not prominently brought into question in my despatch of the 30th of November. I there observed, on the part of her Majesty's government, to that which Captain Wilkes had done. Mr. Seward, in his answer, points out what he conceives Captain Wilkes might have done without violating the law of nations.

It is not necessary that I should here discuss in detail the five questions ably argued by the Secretary of State, but it is necessary that I should say that her Majesty's government differ from Mr. Seward in none of the conclusions which he has arrived at. And it may lead to a better understanding between the two nations on several points of international law which may during the present contest, or at some future time be brought into question, that I should state to you, for communication to the Secretary of State, wherein these differences consist. I hope to do so in a few days.

In the meantime it will be desirable that the commanders of the United States cruisers should be instructed not to repeat acts for which the British government will have to ask redress, and which the United States government cannot undertake to justify.

You will read and give a copy of this despatch to the Secretary of State. I am, &c.,

EARL RUSSELL TO LORD LYONS.

FOREIGN OFFICE, JAN. 11, 1862.

My Lord—Your conduct in the important matter of the Trent is entirely approved by her Majesty. The discretion and good temper you have shown have contributed greatly to the success of our operations.

In order to give your lordship, by a public document, a proof that you have acted strictly according to the instructions you have received, I enclose an extract, annexed to this despatch, of a private letter I addressed to you on the 1st or 2nd December last. I am, &c.,

RUSSELL.

EXTRACT OF A PRIVATE LETTER FROM EARL RUSSELL TO LORD LYONS, DEC. 1, 1861.

The despatches which were agreed to at the Cabinet

yesterday, and which I designed this morning, impose upon you an disagreeable task. My wish would be that, at your first interview with Mr. Seward, you should not take my despatch with you, but should prepare him for it, and ask him to settle with the President and the Cabinet what course they would propose.

The next time you should bring my despatch, and read it to him in full.

If he asks what will be the consequence of his refusing compliance, I think you should say that you wish to leave him and the President quite free to take their own course, and that you desire to abstain from anything like menace.

English Opinion of Mr. Seward's Diplomacy.

THE ANNALES OF THE AMERICAN CORRESPONDENCE.

(From the London Post (government organ), Jan. 14.)

There are several circumstances in the diplomatic correspondence of the United States which, if they are not terminated, render that correspondence altogether unbecomingly in the history of political writing or the conduct of international relations. To those well meaning, perhaps, but not very sagacious persons whose translations sympathize least toward regard with favor the course pursued by the federal government, and who see in the language of the Foreign Minister the proceeds of a wish to conciliate the good will of England and to respect the public law of Europe, we would simply recommend an attentive consideration of the following facts.

The despatch of Mr. Seward to Mr. Adams, of the 30th November, which, by a gross misconception of its nature, has been taken for a declaration of war, and which, singularly enough dated on the very same day on which Lord Russell's demand to the federal government was presented here, the outrage was committed on the 15th of the same month.

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